

INFORMATION AND INSTRUCTIONS FOR COMPLETING THE SPECIAL FUEL IMPORTER TAX RETURN

OVERVIEW:

Tax returns accompanied by the payment must be filed **monthly and must be postmarked by the twenty-fifth of the month following the reporting period.**

If the tax is paid by electronic funds transfer (EFT), the net amount due the state (Line 12) shall be submitted on or before the 10th calendar day of the 2nd month immediately following the reporting period, except May of each year when the tax will be due on the last business day of June. For example, if the tax return is due January 25th, moneys are due on February 10th. **The tax must be paid by electronic funds whenever the amount due is fifty thousand dollars (\$50,000) or more.** Each year, a reporting and EFT payment schedule will be provided by the department.

Round all reported gallons to the nearest whole gallon. Convert liters to gallons at the rate of 3.785 liters per gallon. Negative figures are not allowed on lines 1 through 4 or on Schedules A and B.

Negative or credit dollar amounts must be enclosed in parentheses.

REQUIRED FORMS/DOCUMENTS:

- Washington Special Fuel Importer Tax Return. (Form FT-441-763)
- Fuel Tax Multiple Schedule of Receipts (Form FT-441-846)
- Fuel Tax Multiple Schedule of Disbursements (Form FT 441-841)
- Support Schedule for Washington Power Pumping and PTO Credit (if applicable) (Form FT-441-244)
- IFTA Authorization Schedule of Disbursements (if applicable) (Form FT-441-779)

RECORDS YOU WILL NEED:

Records must be kept for five (5) years for all Special Fuel received, sold, distributed or used for own consumption. These include invoices, bills of lading, and other papers as required by the Department.

Use either gross or net gallons (temperature corrected to 60 degrees) consistently throughout your tax return.

When title or possession passes, a distribution has occurred (Example: "book transfer" or "exchange"). Physical movement of fuel is **not** a requirement for a distribution to take place.

A transaction that merely settles an exchange balance without a transfer of title or possession is not a distribution.

Information provided on this return may be disclosed to the Internal Revenue Service.

TAX RETURN INSTRUCTIONS:

Computer generated forms will be accepted if the format is identical to that of the Department.

NOTE: It is advisable to complete Schedules A and B prior to entering amounts on the tax return as several entries come from these schedules.

A. Enter the year and month for which the tax return is being submitted.

B. Place an "X" in each box that applies.

- **No Operations:** If you had no Special Fuel operations during the reporting period, you must still file a tax return to avoid revocation of your Special Fuel Importer license.
- **Amended Returns:** To report changes for a previous tax reporting period, an amended tax return must be filed for that specific period. Amended tax returns must be filled out completely, rather than showing only the changed amounts. These changes should not be included in the current tax return.

Note: The procedures for calculating the penalty, interest and the net amount due are different for amended returns. (See instructions)

- **Late Returns:** Late returns require payment of penalty and interest, if taxes are due.
 - **Name Change:** You must provide your current business name. If you just purchased or incorporated your business, a new application for license must be completed.
 - **Address Change:** Please provide both the correct physical and mailing address(es).
- C. Your **NAME, LICENSE NUMBER** and **ADDRESS** must appear on the tax return. If the tax return is **NOT** pre-printed, type or print the name and license number as shown on your Special Fuel Importer license.

D. **Cancel License:** To cancel your license, place an "X" in the box and indicate an effective date. This date must be the actual date you ceased business operation or the date you wish to surrender your license. A tax return must be submitted through the effective date of cancellation. All fuel taxes must be paid on remaining inventory.

Line 1. Enter total imported fuel received (Total from Schedule A).

Line 2. Enter tax exempt gallons distributed (Total from Schedule B).

Line 3. Enter the taxable gallons (Line 1 minus Line 2)

Line 4. Enter number of Special Fuel gallons claimed for power take-off credit. Complete the PTO and Power Pumping Credit Schedule and attach to tax return.

Line 5. Enter the net taxable gallons (Line 3 minus Line 4)

Line 6. Compute the Special Fuel Tax (Line 5 times fuel tax rate).

PENALTY COMPUTATION

Line 7. If taxes are owed on Line 6, and you are filing a late tax return (i.e., it's postmarked after the due date), you will owe a penalty. To compute the penalty, multiply Line 6 times 10% and enter the result on Line 7.

For an **amended** tax return, compute Line 6 minus any amounts paid on or before the original due date of the return. If the result is zero or less, no additional interest or penalty is due. If the result is greater than zero, multiply this amount by 10% and enter the amount here.

Line 8. Enter the sum of Line 6 plus Line 7.

INTEREST COMPUTATION

Line 9. If Line 8 is greater than zero, multiply that amount by 1% (compounded interest) times the number of months the tax return is late. A partial month is considered a full month. Interest is due the first day of the month following the payment due date. See the schedule provided by the Department.

For an **amended** return:

- (a) deduct any amounts paid on or before the original due date of the tax return from line 6.
- (b) add the amount from line 7.
- (c) multiply the result by 1% (compounded interest) by the number of months the payment is late.

Line 10. Enter the total fuel tax liability (Line 8 plus Line 9).

Line 11. If this is an **amended** tax return, enter all payments applicable for this reporting period.

Line 12. If the total of Line 10 minus Line 11 is greater than zero, this is the amount owed.

Checks should be made payable in United States funds to the Washington State Treasurer.

All payments of \$50,000.00 or greater **must** be made in electronic funds. If you are using this method, place an "X" in the EFT box.

Line 13. If the total of Line 10 minus Line 11 is less than zero, this is the net refund amount.

PLEASE SIGN, DATE, PROVIDE TITLE AND TELEPHONE NUMBER (including area code) OF PERSON SIGNING. INCLUDE CONTACT NAME AND PHONE NUMBER.

Mail the tax return (with payment, if applicable) to:

Department of Licensing
Fuel Tax Section
PO Box 9048
Olympia, WA 98507-9048
For information, call (360) 664-1852

INSTRUCTIONS FOR COMPLETING SCHEDULE A

Line A1. Enter **ALL** Special Fuel gallons imported into Washington from other states. Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return.

Line A2. Other (explain). Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return.

Transfer the total of fuel received (Line A1 through A2) to Line 1 on the tax return.

INSTRUCTIONS FOR COMPLETING SCHEDULE B

Line B1. Enter number of Special Fuel gallons sold without charging the fuel tax to Washington licensed Suppliers. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

Line B2. Enter the number of Special Fuel gallons which you have withdrawn from your own inventory and which you have directly exported. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

Line B3. Enter the number of gallons sold to exempt public agencies/offices. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

Line B4. Enter number of Special Fuel gallons sold to qualified foreign diplomatic consular missions and their personnel. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

Line B5. Enter the number of Special Fuel gallons sold to Distributors/IFTA carriers with Authorization. Complete the IFTA authorization Schedule for Diesel Fuel Supplemental Schedule and attach to the return.

Line B6. Enter the number of diesel gallons which have been investigated by law enforcement agencies, insurance companies, etc. and where proof of loss has been established. Credit can be taken for any taxes previously paid on special fuel which is: **a)** lost or destroyed, while the applicant shall be the owner thereof, through fire, lightning, flood, wind storm, or explosion; **or b)** on special fuel of five hundred gallons or more which is lost or destroyed while applicant shall be the owner thereof, through leakage or other casualty except evaporation, shrinkage, or unknown causes.

Line B7. Enter number of off-highway gallons used in Washington by vehicles that are not reported on International Fuel Tax Agreement (IFTA) tax returns. You must maintain detailed mileage and fuel consumption records on all licensed vehicles. These records shall include both on and off-highway usage of special fuel on a daily basis for each vehicle.

Line B8. Enter number of Special Fuel gallons sold or used for any other exempt purpose, include tax exempt losses from bulk storage and transportation. Do not include losses due to evaporation, shrinkage or unknown causes. All losses not substantiated by acceptable documentation are taxable. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

Transfer the total of fuel distributed (Lines B1 through B8) to Line 2 on the tax return.

INSTRUCTIONS FOR COMPLETING SCHEDULE C

Enter the number of Dyed Diesel gallons sold in Washington only.

The Department of Licensing has a policy of providing equal access to its services. If you need special accommodation, please call (360) 902-3600 or TTY (360) 664-8885.